

INTRODUCTION

FHA is announcing the sale of approximately 133 Multifamily and Healthcare mortgage loans with an aggregate unpaid principal balance (UPB) of approximately \$550 million.

The portfolio includes mortgage loans primarily secured by first liens on multifamily and healthcare properties, including assisted living, congregate care, nursing homes and hospital(s). The portfolio contains performing, sub-performing and non-performing mortgage loans. The majority of the mortgage loans were assigned to the U. S. Department of Housing and Urban Development ("HUD") under provisions of the National Housing Act. The mortgage loans are being sold servicing-released, without FHA insurance and, except as otherwise expressly provided in the loan sale agreement for MHLS 2002-1 ("Loan Sale Agreement"), without any representation or warranty, whether express, implied or created by operation of law.

PRELIMINARY SALE SCHEDULE

Bidder Information Package available:	June 17, 2002
Due Diligence Facility opens:	June 17, 2002
Due Diligence Facility closes:	July 29, 2002
Bid Date:	July 30, 2002
Bid Award Announcement:	On or before August 1, 2002
Closings:	August 8 - September 13, 2002

All dates are subject to change at HUD's sole discretion.

BIDDER QUALIFICATION

This is a notice of a sale of mortgage loans. It is not an offer to sell or a solicitation of offers to buy the loans. Only parties that submit a confidentiality agreement and qualification statement completed in a manner acceptable to HUD and become qualified bidders will be eligible to receive information about, and submit bids to, acquire the loans.

PRELIMINARY PORTFOLIO

(as of 06/10/02)

Approximate UPB:	\$550 million
Number of Loans:	133
Healthcare Loans:	65
Multifamily Loans:	68

THE BID PROCESS

In an effort to attract all types of eligible bidders, HUD will offer the loans in pools according to various combinations of the following possible criteria: performance status, collateral type, loan type, and geography. It is currently anticipated that qualified bidders will have the opportunity to submit bids on individual loan pools or blocks of loan pools. Details on the bidding process will be provided in the Bidder Information Package. HUD reserves the right to accept or reject any and all bids, and to terminate the sale, in whole or in part, at any time at its sole and absolute discretion.

FURTHER INFORMATION

For further information concerning MHLS 2002-1, please visit the HUD Asset Sale website at:

[www.hud.gov/offices/hsg/comp/asset/mfam/mhls.cfm](http://www.hud.gov/offices/hsg/comp/asset/mfam/mhls.cfm)

The website provides information about current and past HUD Sales, general information about HUD, and answers to Frequently Asked Questions. If you have any questions concerning MHLS 2002-1, please contact Cushman & Wakefield.

All questions related to the Bidder Information Package or the Loan Information CD should be directed to:

Cushman & Wakefield  
Patrick Arangio  
Telephone Number: (202) 467-0600  
Facsimile Number: (202) 293-9049  
E-mail: [mhls2002@cushwake.com](mailto:mhls2002@cushwake.com)

DUE DILIGENCE

Prospective bidders will have a number of options for performing due diligence. All Bidder Information Packages will include Loan Information CDs. For a non-refundable assessment of \$1,000, prospective bidders will receive the Due Diligence CDs and will also be able to access the Asset Review Files off-site electronically via high speed remote access, or by visiting the due diligence facility in Washington, DC, from June 17, 2002 through July 29, 2002, or both. For prospective bidders interested in receiving only the Due Diligence CDs and access to the Asset Review Files at the due diligence facility, the non-refundable assessment is \$500.

Due to the expected high level of interest in MHLS 2002-1, it is suggested that prospective bidders make their due diligence reservations early.

It may be necessary to limit the number of reviewers per prospective bidder and the time allotted for their review at the due diligence facility. The MHLS 2002-1 due diligence options and procedures will be further described in the Bidder Information Package.

## BIDDER INFORMATION PACKAGE

Bidder Information Packages will be available free of charge to qualified bidders on or about June 17, 2002. The Bidder Information Packages will contain background information on the FHA Multifamily and Healthcare Loan Sale, summary information on the MHLS 2002-1 loan portfolio, detailed bidding instructions, due diligence instructions, the Loan Information CD, the Loan Sale Agreement, post-sale servicing requirements and general information about FHA.

## TO OBTAIN A BIDDER INFORMATION PACKAGE

To become a qualified bidder and receive the Bidder Information Package, prospective bidders must submit a completed (in a manner acceptable to HUD) and executed confidentiality agreement and qualification statement. Both documents are available on the FHA Multifamily and Healthcare Loan Sale page at:

[www.hud.gov/offices/hsg/comp/asset/mfam/mhls.cfm](http://www.hud.gov/offices/hsg/comp/asset/mfam/mhls.cfm)

The executed Confidentiality Agreement and Qualification Statement should be mailed and faxed to:

**Cushman & Wakefield**  
**1801 K Street, NW, Suite 1100-L**  
**Washington, DC 20006**  
**Attention: MHLS 2002 - 1 Sale Coordinator**  
**Fax: 202-293-9049**

Qualified bidders will receive a password that will permit them to access the Bidder Information Package through the FHA MHLS 2002-1 website. For those qualified bidders who wish to receive a hard copy of the Bidder Information Package overnight, please provide your overnight courier account number with your request.

## DISCLAIMER

No representation or warranty, whether express, implied or created by operation of law, is made by HUD, FHA, Cushman & Wakefield, or any of their respective affiliates, contractors, subcontractors, directors, officers, partners, employees, counsel, advisors or agents, as to the accuracy or completeness of the information contained herein or made available to prospective bidders in connection with MHLS 2002-1, and no legal liability with respect thereto is assumed or may be implied.

Cushman & Wakefield has acted solely as Transaction Specialist to FHA and has not audited or independently verified any portion of the financial information contained herein or made available to bidders in connection with MHLS 2002-1. No person has been authorized to make any written or oral representation as to the accuracy or completeness of the information contained or the materials referred to in this announcement and, if given or made, any such representation must not be relied upon. The purchase of mortgage loans involves risk, and prospective bidders should, along with their advisors, undertake such investigation, as they deem advisable to evaluate the risks associated with such purchase.

This announcement is not an offer to sell or a solicitation of an offer to buy mortgage loans. Information concerning the mortgage loans will be furnished only to, and bids will be accepted only from, bidders who certify that they have: (i) such knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks; and (ii) the resources to bear the risks of a purchase of the mortgage loans and who meet the other criteria required to become a qualified bidder. Except as otherwise expressly provided in the Loan Sale Agreement, the mortgage loans are being sold "as is," "where is," "with all faults," and without any recourse whatsoever.

**THERE ARE NO PROJECT-BASED SECTION 8 RENTAL ASSISTANCE CONTRACTS OR ANY TYPES OF SUBSIDIZED MORTGAGES IN THIS SALE.**



## FEDERAL HOUSING ADMINISTRATION

Announces:

Multifamily and Healthcare Loan  
Sale 2002 - 1

Bid Date: July 30, 2002

**Approximate UPB: \$550 Million**  
**Approximate Total Loans: 133**

Transaction Specialist :

